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**Re: Lehman Brothers Holdings Inc.**

**Debtor Name: Lehman Re LTD**

**Chapter 11 Case# 08-13555 (JMP)**

**Claim#10424, Docket #21213**

**for A. M. Best Company Inc.**

**Our Account#9767600**

**Our Invoice#2223440 dated 7/2/2008**

**EXHIBIT 5:  
ACKNOWLEDGEMENT LETTER**

## A.M. BEST COMPANY

100 Best Road  
 Oldwick, New Jersey 08856-2700  
 908-439-2200  
 Fax: 908-439-3077  
 WWW.AMBEST.COM.

Doug McBeth, President  
 Lehman Re Ltd  
 745 Seventh Avenue  
 New York, New York 10019

Dear Mr. McBeth:

This letter serves as a formal notice of Lehman Re's rating after an analysis of all current information shared with us. The rating assignments, public financial strength rating rationale, non-public rating commentary and rating release procedures are detailed below. We encourage you to visit our online Rating Center, located at <http://www.ambest.com/ratings>, for the latest Best's Ratings, an overview of our rating process and rating methodologies.

The following public rating assignments will be published:

AMB#	Company Name	Financial Strength Rating		Issuer Credit Rating	
		Rating	Outlook/ Implication	Rating	Outlook/ Implication
088949	Lehman Re Ltd	A	Stable	a	Stable

Public Financial Strength Rating Rationale

The rating of Lehman Re Ltd. ("Lehman Re") reflects the Company's substantial level of capitalization; increased volume of transformer business; a modest level of insurance liabilities; and earnings generated from developing risk management solutions, including securizations and structured transactions. Offsetting these strengths are modest earnings, earlier dividend payments to parent Lehman Brothers Holdings, the drop-off in life reinsurance business activity and low transaction volume during the same time period.

Lehman Re possesses the capital, the expertise and the investment banking access to life and non-life reinsurance industry principals, which are strong enhancements to further development of its business model, including implementing capital market solutions that facilitate orderly risk diversification in the insurance and reinsurance industries.

Notwithstanding Lehman Re's acknowledged future potential, however, predictable earnings and new business activities have not developed to the extent A.M. Best originally expected. Lehman Re acts as a conduit for reinsurance business to Lehman Brothers for capital market execution. Over the past few years, Lehman Re has been inactive and thus has not demonstrated a steady or sustainable pattern of new business growth. However, more recently, Lehman Re has begun exploiting niche business opportunities which A.M. Best expects will increase Lehman Re's earnings capacity and lead to greater new business volumes going forward.

Although the company currently is overcapitalized for the current risks accepted, continued dividend payments of earlier amounts will result in a shrinking capital position. A.M. Best notes, however, that no dividends payments have been made in the last two years and no dividend payments are planned for 2008.

Non-Public Rating Commentary

A.M. Best is very appreciative of the quick and thorough responses we received during the rating review process. We certainly look forward to a continued open dialogue as we work with Lehman Re in the future. Although Lehman Re has been rated by A.M. Best for a number of years, the most recent analysis was done more than one year ago. Since the last review A.M. Best recognizes that the Lehman Re business model has changed and has experienced growth in volume and premium from transformer business. Please recognize that companies in the "Excellent" rating category generally have a demonstrated and sustained level of business continuity, and A.M. Best will be looking for a continued upward trend in business development, volume and profit growth going forward.

As stated on a number of occasions, the capital position is considered very strong for Lehman Re's current risk profile, despite the earlier shareholder dividends. While we do not expect any significant shareholder dividends payments over the near term, we would ask that you keep us apprised, should Lehman's dividend policy change.



Rating Release Procedures

Given your request of a rating from A.M. Best, we will evaluate all relevant risks within your business and financial operations. In conducting this analysis, A.M. Best analyzes all pertinent operating companies, holding companies, and any other financial obligations of the organization, including debt securities issued by such companies. Upon completing the analysis of the organization, A.M. Best reserves the right to publish our opinion of your organization's ability to meet financial obligations issued by insurance-related companies, including the assignment of Financial Strength Ratings, Issuer Credit Ratings, or Debt Ratings.

To acknowledge the assigned Best's Ratings, and the above commentary, we request that you sign and date this letter in the space provided below and return it via fax. Our fax number is 908-439-2237. The rating and corresponding rationale will be publicly available via Best's Internet site immediately upon our release of the rating. While A.M. Best retains absolute control over the timing of the release of its rating opinions, we encourage acknowledgement of ratings within 3 business days (unless a shorter time period has been communicated), after which, the ratings will be released automatically. We respectfully ask that you do not publicly release the rating assignment prior to its public release by A.M. Best Company.

In addition to our subscription and Internet products, your organization's Best's Rating and corresponding Best's Company Report will appear in the next edition of Best's Insurance Reports. A draft copy of your Best's Company Report has been sent to your designated contact for review. Please submit any suggested revisions to this report within ten business days.

In closing, Ed and I sincerely appreciate the valuable assistance that you, David and the rest of your staff have given us. Should you have any questions concerning this matter, please feel free to contact Ed or me at the numbers below.

Sincerely,

*William Pargeans*

William Pargeans  
Assistant Vice President  
908-439-2200 x5359  
William.Pargeans@ambest.com

Lehman Re Ltd, AMB # 86949

*Edward J Eyring*

Edward J Eyring  
Financial Analyst  
908-439-2200 x5123  
Edward.Eyring@ambest.com

Date: \_\_\_\_ / \_\_\_\_ /2008

Acknowledged: *John E. Eyring* Title: *President*